

The Locator Services Group Ltd.
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: Chapter 11

LEHMAN BROTHERS HOLDINGS, INC. Case No. 08-13555

Objection Deadline: October 3, 2008

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**OBJECTION OF THE LOCATOR SERVICES GROUP LTD. TO PROPOSED CURE
AMOUNT INCLUDED ON THE DEBTORS' LIST OF IT CLOSING DATE
CONTRACTS AND RESERVATION OF RIGHTS REGARDING ASSUMPTION AND
ASSIGNMENT OF CLOSING DATE CONTRACTS**

The Locator Services Group Ltd. ("TLSG"), by and through its counsel, Kim Sawyer, respectfully submits its Objection to Lehman Brother's Holdings Inc. (the "Debtor's") Notice for the Assumption and Assignment of, and Amounts Necessary to Cure Defaults Under Contracts and Leases to be Assumed and Assigned to Successful Purchaser (the "Assumption Notice") by Lehman Brothers Inc. ("LBI"). TLSG also reserves its rights regarding the list of Assumption and Assignment of Closing Date Contracts. Regarding its Objection, TLSG objects to the cure amount included on that certain "List of IT Closing Date Contracts" contained within the "Assumption Notice" By this objection TLSG states as follows:

Background

(1) TLSG is a professional asset recovery service that has been in business for over fourteen years, since July of 1994. TLSG has recovered unclaimed and abandoned property and other financial assets for more than half of the Fortune 750 companies. Throughout its history, TLSG has successfully recovered funds from 94 bankruptcy courts, 53 abandoned property offices, and hundreds of foreign, federal, state, and local governmental entities, courts and private holders. Additionally, TLSG monitors funds held by other obscure sources that are exempt from escheat laws or subject to statutes of limitations. TLSG is expected to receive its Certification to become a Women's Business Enterprise before October 31, 2008.

(2) TLSG has a longstanding and ongoing contract with LBI to identify and recover unclaimed and abandoned monies and other unclaimed financial assets belonging to LBI, and its subsidiaries and acquisitions. Pursuant to the Master Services Agreement ("MSA"), TLSG is currently in the process of recovering significant funds and other financial assets funds on behalf of LBI. A copy of LBI's MSA with TLSG, effective November 17, 2003 with a renewal date of December 31, 2008, is attached hereto and incorporated herein as Exhibit A.

(3) TLSG's Unclaimed Property Review is TLSG's internal name for the comprehensive asset recovery program TLSG provides to LBI under the MSA. TLSG begins the Review

with an Initial Property Identification process. ("IPI"). The IPI is a program individually designed for LBI that researches numerous targeted sources of potential unclaimed and abandoned funds and other outstanding financial assets belonging to LBI and its subsidiaries and acquisitions. TLSG's identification service begins with an intensive search to ascertain sources of outstanding funds that appear to belong to LBI. These sources include hundreds of federal, state, city, county, US Territory and foreign jurisdictions, many of which are exempt from state escheat laws. Additionally, TLSG identifies outstanding payments from sources where LBI's right to claim funds may be 'extinguished' by the passage of time. The IPI is based on an analysis of LBI, its acquisitions, and predecessor's physical locations, business lines, d/b/a's and states of incorporation. TLSG then utilizes proprietary databases and software, legal research, manual investigation, and freedom of information requests, to locate these unclaimed funds from the sources identified during the first step of the IPI. After identifying the outstanding property belonging to LBI, TLSG initiates recovery of those unclaimed and abandoned funds and financial assets and supervises the payment process.

(4) To date, pursuant to the terms of the MSA, TLSG has facilitated payments for LBI totaling in excess of \$1,068,000.00.

(5) To date, pursuant to the terms of the MSA, TLSG is the course of recovering an additional 13 claims totaling approximately \$950,000.00. Regardless of whether or not this MSA is assumed by Barclays Capital Inc. ("Barclay's"), these funds will likely be paid to LBI or Barclay's, as result of TLSG's actions occurring prior to LBI's bankruptcy

filing. The pursuit of all of these assets began prior to July 18, 2008. TLSG's contractual 10% recovery fee for these pending claims will be approximately \$95,000.00

Objection and Reservation of Rights

- (6) On September 15, 2008 LBI filed for relief under Chapter 11, Title 11 of the United States Code with the United States Bankruptcy Court for the Southern District of New York. On September 17, 2008 LBI filed a motion with the Court seeking (i) to sell certain of the Debtor's assets, and (ii) to assume and assign certain executory contracts to a third- party purchaser, Barclays. On September 22, 2008 the Court approved the Barclays sale.
- (7) TLSG subsequently received the Assumption Notice, which states that the lists of contracts to be assumed and assigned, and the proposed cure amounts for such contracts, were being communicated to creditors by the posting of such lists on the EPIQ System's website assigned to the Debtor's case. According to the website, there are three lists: (1) the First List addresses LBI's existing contracts and identifies those contracts chosen to be assumed by Barclays; (2) the Second List contains the contracts between the creditor and LBI and the proposed cure amount(s) due; and (3) the Third List contains the contracts involving real property or licenses.
- (8) TLSG does not appear on the First List, which is purported to contain the list of existing LBI contracts with those already assumed by Barclays highlighted in yellow. Therefore,

since the assumption status of TLSG's MSA is unclear, TLSG reserves its' rights at this time regarding this issue as Barclay still has the opportunity to assume TLSG's MSA.

- (9) The Second List containing the proposed cure amount of the listed contracts does contain a listing for TLSG's MSA, but incorrectly states that the amount currently owed to TLSG is \$0. See Second List, page 4, attached hereto and incorporated herein by reference as Exhibit B. As noted in Paragraph 8 the estimate cure amount for TLSG's MSA is approximately \$95,000.00. Therefore TLSG's outstanding cure amount for the LBI contract is approximately \$95,000.00.

WHEREFORE, for the reasons set forth herein, TLSG respectfully (i) requests that the Court clarify whether TLSG's MSA will be assumed by Barclays; (ii) objects to the proposed cure amount set forth in the Assumption Notice and applicable Second List and respectfully request that the cure amount be changed to reflect the service fee of \$95,000.00, which will be due TLSG ; (iii) expressly reserves its rights under Section 365 of the Bankruptcy Code; (iv) reserves its right to supplement this filing; and (v) requests that this Court grant such other and further relief as may be appropriate.

Dated: October 3, 2008

The Locator Services Group Ltd.

By: /s/ Kim Sherrie Sawyer
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